

More teen celebrities into marketing own labels of clothing, furniture

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STARTING this fall, Mary-Kate and Ashley Olsen — the twin actresses-turned-merchandising moguls — will have some young celebrity company in store aisles.

Eighteen-year-old actress and singer Hilary Duff and 13-year-old Dylan and Cole Sprouse — twin actors and heartthrobs for the prepubescent set — aim to mimic the success of the Mary-Kate-and-Ashley brand, with plans to bombard stores with a host of products from clothing to home decor.

And experts say they expect there will be plenty of other young copycats hoping to turn their celebrity status into merchandising power among preteens and teens, as did the now 20-year-old Olsen twins, who parlayed their star power into a reportedly billion-dollar international brand, spanning cosmetics to clothing and rugs.

"Success breeds competition," said Marshal Cohen, chief analyst at NPD Group Inc., a market research firm in Port Washington, N.Y. The Mary-Kate-and-Ashley brand has been an eye opener, he said, and "everyone is going after what appears to be a successful formula."

Duff, who shot to fame as the title character of the TV series "Lizzie McGuire," will be coming out with products aimed at preteen girls this fall. The merchandise, from clothing to room decor, will sell under the label Stuff by Hilary Duff in discounters such as Wal-Mart Stores Inc. and mid-tier stores such as Kohl's Corp. They include hot pink fabric handbags and cropped black jackets.

The launch comes 10 months after Duff became CEO and head designer of her own fashion and lifestyle company. To help secure her footing, she hired Robert Thorne, the Olsens' former manager — and until early last year the CEO of Dualstar Entertainment Group, the Olsens' entertainment business — to spearhead her merchandising empire. The goal: to generate retail sales worldwide of more than \$1 billion in two and half years, according to Thorne.

"Mary-Kate and I are proud we have paved the way for others and wish everyone as much success as we continue to have," wrote Ashley Olsen, in an e-mail to Associated Press. The Olsen twins became co-presidents of Dualstar when they turned 18.

Meanwhile, the Sprouse brothers, who star in the Disney Channel's "The Suite Life of Zack & Cody," are targeting their merchandise at preteen and teen boys, with a new magazine called Sprouse Bros.

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Code, which hit newsstands this month.

Calendars will be out this fall at discounters such as Wal-Mart and Target Corp. Next spring, there will be young men's clothing and grooming products such as hair gel and deodorant sticks. Dualstar's CEO Diane Reichenberger declined to name which stores will sell the products as discussions are still ongoing.

Company officials declined to offer sales projections for the Sprouse business or the Mary-Kate-and-Ashley brand.

"The minute I saw them they looked like a brand," said Susan White, brand manager for the Sprouse twins. She met them in 2002 and signed them on as clients a year later. Last year, she introduced them to Dualstar, which forged an exclusive relationship as part of an overall goal to develop other personalities.

While building the Dualstar business, the Olsens themselves are further expanding their own brand, which got its big start with Wal-Mart seven years ago. This year, the twins expanded their accessories, cosmetics and jewelry offerings with Claire's Stores Inc. Linens 'n Things carries rugs under their label.

Now that they're aging out of this teen demographic, they're also developing an upscale clothing collection and a contemporary collection, which will not bear their names. Reichenberger said both are slated to hit stores next year, but declined to provide any more details.

Celebrity marketing is nothing new. A parade of celebrities are designing clothes and marketing fragrance, from Jessica Simpson to Jennifer Lopez, but their audience focuses on the 20- to 30-something age group. Duff and the Sprouse twins are teens building merchandising empires aimed at their young peers, an age group where celebrity power is more influential than among adults.

According to a recent NPD survey of 3,500 consumers, 57

percent of the 13-to-18 age group polled said their purchases are influenced by celebrities or endorsements by celebrities, compared to just 21 percent of overall consumers.

It's a lucrative market: According to NPD, for the year ended May 2006, apparel sales rose 7.4 percent to \$12 billion among the 7-to-12 age group and 13.9 percent to \$25 billion for ages 13-to-17.

Still, stars who have established their celebrity status at a young age have their own big challenges: attracting new generations to their products while legitimizing themselves to older customers as they grow older.

Constant reruns of the Olsens' "Full House" on Nick at Nite and ABC Family cable channels have helped them lure new generations of fans, but their marketing power with customers in their late teens and older remains unclear. Their teen line, tested during the

back-to-school and holiday 2003 seasons, was short-lived. Under the stewardship of Reichenberger, they are sharpening their focus on the fashion, beauty and home decor businesses.

Thorne noted that one lesson he learned is that it's best for the celebrity to be at least 19 or 20 before going after an older teen. That's why Duff is delaying the launch of her teen

clothing line in certain overseas markets to late 2007 and in the States to early 2008. However, Duff's fragrance for teens will be in stores this fall.

Meanwhile, the Sprouse twins will have an added challenge of marketing to boys. According to White, while girls place a priority on brands, boys are immersed in the experience — focusing on snowboard pants that dry quickly, for example.

White is also tapping into the Sprouse's strong fan base among girls, who are expected to buy products for their boyfriends.

Experts will be closely watching how Duff and the Olsen twins fare, although the young stars insist there's no rivalry.

"I feel it is not competitive at all," Duff said in an interview. "I feel inspired by them."

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